

currency or by barter. Any open account credit terms may not exceed 30 days. Transactions relating to services incident to this trade in goods, including payment for shipping and insurance to non-blocked entities, are authorized.

(b) *Example:* A U.S. company located outside of Serbia may ship goods to Serbia in exchange for bank notes and coins or under a barter arrangement in exchange for Serbian goods, exchanged directly with the U.S. company or assigned to a third company in satisfaction of an obligation owed that party by the U.S. company. Except as provided in §586.408 or otherwise specifically authorized, however, the U.S. company may not establish or use an account at a financial institution within the territory of the Republic of Serbia in connection with any trade transaction described in this section.

**§586.514 Divestiture of U.S. person's equity investment in the territory of the Republic of Serbia.**

Notwithstanding the prohibition in §586.204 against the facilitation by a U.S. person of other persons' new investment in the territory of the Republic of Serbia, all transactions related to the divestiture or transfer to a non-U.S. person, other than a person whose property or property interests are blocked pursuant to §586.201 or this chapter, of a U.S. person's investment in the Republic of Serbia are authorized.

**§586.515 Payments for services rendered by the Government of the FRY (S&M) to aircraft authorized; aircraft and maritime safety.**

(a) Payments to the Government of the FRY (S&M) of charges for services rendered by that Government in connection with the overflight of the territory of the FRY (S&M) or emergency landing in the FRY (S&M) by aircraft are authorized.

(b) Specific licenses may be issued on a case-by-case basis for the exportation and reexportation of goods, services, and technology to insure the safety of civil aviation and safe operation of U.S.-origin commercial passenger aircraft, and to ensure the safety of ocean-going maritime traffic in international waters.

**§586.516 Transactions with respect to property in which the Government of the Republic of Montenegro has an interest authorized.**

All transactions by U.S. persons involving property or interests in property in which the Government of the Republic of Montenegro has an interest are authorized, except with respect to property blocked pursuant to the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR part 585 (see §585.525). Property and interests in property of the Government of Montenegro shall not be considered "property and interests in property blocked pursuant to §586.201" for purposes of this part. This authorization does not apply, however, to property in which the Government of Montenegro has an interest but in which there also exists an interest of another person whose property or interests in property are blocked pursuant to §586.201 or any other part of this chapter.

**§586.517 Unblocking of certain debt.**

(a) Subject to the limitations in paragraph (c) below, debt obligations in the possession or control of U.S. persons for which the National Bank of Yugoslavia has joint or several liability and that were rescheduled pursuant to the "New Financing Agreement" of September 20, 1988, are unblocked.

(b) Specific licenses may be issued on a case-by-case basis to permit the unblocking of debt obligations not otherwise authorized under either paragraph (a) of this section or 31 CFR 585.509.

(c) Nothing in this section authorizes transactions with any person designated in or pursuant to 31 CFR 587.201(a).

[66 FR 50509, Oct. 3, 2001]

**§586.518 Authorization of release of certain blocked transfers by U.S. financial institutions.**

(a) Subject to the limitation set forth in this paragraph, U.S. financial institutions are authorized to unblock and return to the remitting party funds blocked pursuant to this part that came into their possession or control

through wire transfer instructions or check remittances, provided those funds were not destined for an account established on the books of a U.S. financial institution by a person whose property or interests in property were blocked immediately prior to January 19, 2001. Funds otherwise eligible for release under this general license, however, may not be unblocked and returned if they were remitted by or destined for a person designated in or pursuant to 31 CFR 587.201(a).

(b) Funds blocked pursuant to this part that were destined through wire transfer instructions or check remittances for an account established on the books of a U.S. financial institution by a person whose property or interests in property were blocked immediately prior to January 19, 2001, remain blocked. If such funds are not already held in the account for which they were destined, they must be transferred to such an account by October 15, 2001, and maintained in blocked status pursuant to § 586.201(c).

[66 FR 50509, Oct. 3, 2001]

**§ 586.519 Release of certain funds held at overseas branches of U.S. financial institutions.**

Specific licenses may be issued on a case-by-case basis to permit the overseas branches of U.S. financial institutions to unblock deposit accounts that were blocked pursuant to this part prior to January 19, 2001, and that were established outside of the United States in situations in which such accounts are not owned or controlled, directly or indirectly, by any person designated in or pursuant to 31 CFR § 587.201(a).

[66 FR 50510, Oct. 3, 2001]

**§ 586.520 Unblocking of previously blocked property.**

(a)(1) Except for such property and interests in property set forth in paragraph (a)(2) of this section, as of February 25, 2003, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 13088 of June 9, 1998, or Executive Order 13121 of April 30, 1999, that has remained blocked pursuant to Ex-

ecutive Order 13192 of January 17, 2001, are authorized.

(2) The authorization in paragraph (a)(1) does not apply to property or interests in property blocked pursuant to this part of those persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Milosevic Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter.

(b)(1) As of December 27, 2002, any person or government is authorized to seek an attachment, judgment, decree, lien, or other judicial or legal process against or with respect to any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section. This section does not authorize any execution against, final settlement with respect to, garnishment of, or other action effecting the transfer of any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section prior to February 25, 2003.

NOTE TO PARAGRAPH (B) OF § 586.520: Any person or government seeking judicial or other legal process under the authority of this paragraph must comply with the reporting requirements set forth under 31 CFR 501.605 pertaining to litigation, arbitration and dispute resolution proceedings.

[67 FR 78974, Dec. 27, 2002]

**Subpart F—Reports**

**§ 586.601 Records and reports.**

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

**Subpart G—Penalties**

**§ 586.701 Penalties.**

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the “Act”) (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to